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GREEN INTERNATIONAL HOLDINGS LIMITED
格林國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2700)

**ISSUE OF CONVERTIBLE BONDS
UNDER GENERAL MANDATE**

The Directors are pleased to announce that on 27 November 2015 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber in relation to the issue of the Convertible Bonds. Since the Conversion Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

The gross and net proceeds from the issue of the Convertible Bonds will be HK\$40,000,000 and are intended to be used as working capital and for potential acquisitions of the Group.

As the Subscription may or may not complete, holders of securities of the Company and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company

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THE SUBSCRIPTION AGREEMENT

Date: 27 November 2015

Parties: (i) the Company, as issuer; and
(ii) the Subscriber, as subscriber

Information about the Subscriber

The Subscriber is an individual.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries:

- i. as at the date of this announcement, the Subscriber does not have any interest in the Shares. Assuming all the conversion rights attaching to the Convertible Bonds in the principal amount of HK\$40,000,000 are exercised by the Subscriber in full, the Subscriber will be interested in 200,000,000 Shares, representing approximately 10.14% of the issued share capital of the Company as at the date hereof, and approximately 9.21% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full exercise of the conversion rights under the Convertible Bonds pursuant to the Subscription Agreement;
- ii. as at the date of this announcement, the Subscriber is an Independent Third Party; and
- iii. except for those disclosed in this announcement, before entering into of the Subscription Agreement, neither the Subscriber nor his associates has any interests in the Shares or any business dealings with the Group.

Principal amount of the Convertible Bonds

Pursuant to the Subscription Agreement, the Subscriber will subscribe for the Convertible Bonds in the principal amount of HK\$40,000,000.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Condition Precedent

Completion shall be subject to and conditional upon the Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Conversion Shares.

If the condition precedent of the Subscription Agreement is not fulfilled on or before 28 December 2015 (or such later date as may be agreed between the Company and the Subscriber), the Subscription Agreement will be terminated and cease to have any effect and none of the parties shall have any claim against the other save for any antecedent breaches of the provisions thereof.

Completion Date

Completion will take place on the fifth Business Day (or such later date as may be agreed between the Company and the Subscriber) after the fulfillment of the condition precedent referred to above. The Company shall issue the Convertible Bonds to the Subscriber on the Completion Date.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Details of the principal terms of the Convertible Bonds are set out as follows:

Issuer:	The Company
Principal amount:	HK\$40,000,000
Issue price:	100% of the principal amount of the Convertible Bonds
Interest:	The Convertible Bonds shall bear interest at 8% per annum. Such interest accrued at the outstanding principal amount of the Convertible Bonds shall only be payable by the Company to the Bondholders on the Bond Maturity Date if the Convertible Bonds are neither converted during the conversion period nor redeemed prior to the Bond Maturity Date.
Bond Maturity Date:	The date falling on the first anniversary of the Bond Issue Date.
Conversion Price:	<p>HK\$0.20 per Conversion Share which, for the avoidance of doubt, shall be subject to adjustment provided in the terms and conditions to the Convertible Bonds. The conversion price represents:</p> <ol style="list-style-type: none">i. a discount of approximately 11.9% to the closing price per Share of HK\$0.227 as quoted on the Stock Exchange on the Last Trading Day;ii. a discount of approximately 12.3% to the average closing price per Share of approximately HK\$0.228 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; andiii. a discount of approximately 13.8% to the average closing price per Share of approximately HK\$0.232 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day. <p>The Conversion Price was determined based on arm's length negotiations between the Company and the Subscriber with reference to the prevailing market prices of the Shares as quoted on the Stock Exchange.</p>
Conversion period:	The period commencing from the Bond Issue Date and ending on the Bond Maturity Date.

Conversion right: Subject to and upon compliance with the terms and conditions of the Convertible Bonds and all regulatory requirements (including without limitation the Takeovers Code and the Listing Rules), the Bondholder shall have the right, at any time during the conversion period to convert the Convertible Bonds in whole, or in any part representing at least HK\$1,000,000 of the outstanding principal amount of the Convertible Bonds into the Conversion Shares, calculated for each conversion to be the greatest number of Shares, disregarding fractions, obtainable by dividing the aggregate principal amount of the Convertible Bonds to be converted by the Conversion Price of HK\$0.20 per Conversion Share, by giving notice (such notice, once given, may not be withdrawn without the consent in writing of the Directors). The Bondholder shall not convert the Convertible Bonds which will cause the Company to be unable to meet the public float requirements as required under Rule 8.08 of the Listing Rules or will result in a change of control (as defined in the Takeovers Code) in the Company.

Conversion Shares: The Conversion Shares shall rank pari passu with the Shares in issue on the Conversion Date, except that they shall not be entitled to receive any dividend, distribution or entitlement declared, paid or made by reference to a record date prior to the relevant Conversion Date.

Redemption: Unless previously redeemed, converted or purchased and cancelled, the Company shall redeem each Convertible Bond then outstanding at a value equal to the aggregate principal amount then outstanding on the Bond Maturity Date in cash.

The Company shall, on the occurrence of any event of default (as specified below), redeem all the Convertible Bonds then outstanding at a value equal to the aggregate principal amount outstanding of the Convertible Bonds by issuing Shares to the Bondholder at the Conversion Price, subject to adjustment provided in the terms and conditions to the Convertible Bonds. In the event that such conversion will result in the non-compliance with the public float requirements as required under Rule 8.08 of the Listing Rules or will result in a change of control (as defined in the Takeovers Code) in the Company, the Company has no obligation to issue Shares to the Bondholder until the public float requirements can be met and there will be no change of control (as defined in the Takeovers Code) in the Company upon such

conversion. Except as otherwise provided, the Convertible Bonds shall not be redeemed or repaid prior to the Bond Maturity Date.

Event of default:

- i. if there is a default in the performance or observance by the Group of any obligations set out in the terms and conditions to the Convertible Bonds and (except where such failure is not capable of remedy) such default shall continue for ten Business Days after written notice of such default shall have been given to the Company by the Bondholder;
- ii. if an order is made or an effective resolution is passed for winding up, liquidation or dissolution of the Company or any of its subsidiaries;
- iii. if the holder of any encumbrance takes possession or a receiver is appointed of the whole or material part of the assets or undertaking of the Company and of its subsidiaries;
- iv. if the Company or any of its subsidiaries is unable to fulfil any of its obligations for or in respect of its financial indebtedness as and when they fall due or the Company or any such subsidiary shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors;
- v. if the trading of the Shares on the Stock Exchange is withdrawn or suspended other than for a temporary suspension of trading for a period of not more than 14 consecutive Business Days;
- vi. if it shall become unlawful for the Company to perform all or any of its obligations under the terms and conditions to the Convertible Bonds or the Convertible Bonds shall for any reason cease to be in full force or effect or shall be declared to be void or illegal by any court of competent jurisdiction; and
- vii. if there are any litigation, arbitration, prosecution or other legal proceedings outstanding for the time being against the Company or any of its

subsidiaries, or any litigation, arbitration, prosecution or other legal proceedings involving such amount are threatened against the Company or any of its subsidiaries, which may have a significant financial impact on the Group and/or may have a material adverse effect on the operations or the financial position of the Group taken as a whole.

Ranking: The Convertible Bonds constitute direct unconditional, unsubordinated and unsecured obligations of the Company and rank at least pari passu and rateably without preference (with the exception of obligations in respect of taxes and certain other statutory exceptions) equally with all other present and future unsubordinated and unsecured obligations of the Company.

Transferability: The Convertible Bonds shall not be transferable without prior written consent of the Company.

Voting rights: The Convertible Bonds shall not confer on the Bondholder(s) the right to vote at any general meetings of the Company.

Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange.

An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds.

Covenants in relation to the conversion rights: So long as any Convertible Bond shall remain convertible the Company shall, unless with the prior written approval of all the Bondholders:

- i. keep available for the sole purpose of issue upon conversion of the Convertible Bonds free from preemptive rights out of its authorised but unissued share capital the number of Shares as would have to be issued upon conversion of all the Convertible Bonds outstanding from time to time;
- ii. not make any redemption of share capital, share premium account or capital redemption reserve involving any repayment to Shareholders either in cash or in specie (other than to the Shareholders having the right on a winding up of

the Company to return of capital in priority to other Shareholders) or reduce any uncalled liability in respect thereof;

- iii. not issue or pay up any securities by way of capitalization of profits or reserves other than (1) by the issue of fully paid Shares to the Shareholders or (2) by the issue of fully-paid share capital of the Company (other than Shares) to the holders thereof of the same class;
- iv. not in any way modify the rights attaching to the Shares or create or issue or permit to be in issue any other class of share capital of the Company carrying any right to income or capital which is more favourable in any respect than the corresponding right attaching to the Shares or attach any special rights or privileges to any such other class of the share capital of the Company provided that nothing in this paragraph shall prevent any consolidation or sub-division of the Shares;
- v. if an offer is made to all Shareholders (or all Shareholders other than the offeror and/or any offeror controlled by the Company and/or persons acting in concert with the offeror) to acquire all or a proportion of the Shares forthwith give notice of such offer to the Bondholders and use its reasonable endeavours to procure that a like offer is extended to the holders of any Shares allotted or issued pursuant to the exercise by Bondholders of their rights of conversion by reference to a Conversion Date falling during the period of such offer; publication of a scheme of arrangement under the laws of Cayman Islands or a voluntary arrangement under any applicable law providing for the acquisition by any person of the whole or any part of the Shares shall be deemed to be the making of an offer;
- vi. maintain a listing for all the issued Shares on the Stock Exchange, obtain and maintain a listing on the Stock Exchange for all the Conversion Shares; and
- vii. pay the expenses of the issue of, and all expenses of obtaining a listing on the Stock Exchange for

the Conversion Shares.

Company's undertakings:

So long as any Convertible Bond shall remain convertible the Company shall (among other things) not effect any consolidation or amalgamation with, or merger into any other corporation, or any sale or transfer of all or substantially all of the assets of the Company without the written consent of the majority of Bondholder(s) (such consent not to be unreasonably withheld or delayed). In case of any consolidation or amalgamation of the Company with, or merger of the Company into, any other corporation (other than a consolidation or amalgamation or merger in which the Company is the continuing corporation), or in case of any sale or transfer of all or substantially all of the assets of the Group, the Company shall use its best endeavours to cause the corporation formed by such consolidation or amalgamation or the corporation into which the Company shall have been merged or the corporation which shall have acquired such assets, as the case may be, to execute with the holders of all Convertible Bonds then outstanding a supplemental agreement providing that the holder of each Convertible Bond then outstanding shall have the right, during the period such Convertible Bond shall be convertible and to the full extent permitted by law and regulations (including without limitation the Takeovers Code and the Listing Rules), to convert such Convertible Bond into the kind and amount of shares or stock and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares into which such Convertible Bond might have been converted immediately prior to such consolidation, amalgamation, merger, sale or transfer provided that such conversion shall not result in non-compliance with the public float requirements under Rule 8.08 of the Listing Rules by the Company. Such provisions shall similarly apply to successive consolidations, amalgamations, mergers, sales or transfers.

The Conversion Price will be subject to adjustment in certain events as provided in the terms and conditions to the Convertible Bonds, a summary of which is set out below:

- i. any alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification;
- ii. the issue of Shares by the Company credited as fully paid to the Shareholders by way of capitalization of profits or reserves (including any share premium account),

including Shares paid up out of distributable profits or reserves and/or share premium account, except where the Shares are issued in lieu of the whole or any part of a specifically declared cash dividend so long as such declared dividend does not constitute a Capital Distribution (as defined in sub-paragraph (iii) below);

- iii. the making or payment of dividend or distribution of cash or assets in specie or other property by way of capitalization of reserves (the “**Capital Distribution**”) to the Shareholders;
- iv. the issue of Shares to all or substantially all Shareholders as a class by the Company by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each cases at less than the average of the closing prices for the five consecutive trading days ending on the trading day immediately preceding such date (the “**Current Market Price**”) per Share on the date of the announcement of the terms of such issue or grant;
- v. the issue of any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by the Company, by way of rights, or the grant to all or substantially all Shareholders as a class, by way of rights, of any options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares);
- vi. except for the issue of any share options under the Share Option Scheme and the issue of Shares upon the exercise of the share options granted under the Share Option Scheme, the issue (otherwise than as mentioned in sub-paragraph (v) above) by the Company wholly for cash of any Shares (other than Shares issued on the exercise of rights under the Convertible Bonds or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise than as mentioned in sub-paragraph (v) above) options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than of 80% of the Current Market Price on the date of announcement of the terms of such issue;
- vii. except in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph (vii), the issue of any securities (other than the Convertible Bonds) by the Company or any subsidiary which by their terms of issue carry rights of conversion into, or exchange or subscription at a total effective consideration per Share which is less than 80% of the Current Market Price on the date of the announcement of the terms of issue of such securities; and
- viii. any modification of the rights of conversion, exchange or subscription attaching to any such securities mentioned above (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the

modification) is less than 80% of the Current Market Price on the last dealing day preceding the date of announcement of the proposals for such modification.

REASONS FOR THE ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing and trading of recreational and educational toys and equipment, operation of clubhouse business and provision of beauty and wellness services.

The Directors have considered various ways of raising funds in the capital market and considered that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since (i) they will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) if the conversion rights attaching to the Convertible Bonds are exercised, the shareholder base of the Company will be enlarged and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group. The Board considered that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross and net proceeds from the issue of the Convertible Bonds will be HK\$40,000,000 and are intended to be used as working capital and for potential acquisitions of the Group.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement and (ii) for illustration purposes only, immediately after the allotment and issue of the Conversion Shares in full upon exercise of the conversion rights under the Convertible Bonds (on the assumptions that the Conversion Price being HK\$0.20 and there is no further allotment of Shares from the date of this announcement other than the Conversion Shares) is as follows:

	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares in full upon exercise of the conversion rights under the Convertible Bonds	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Gold Bless International Invest Limited <i>(Note)</i>	987,697,627	50.07	987,697,627	45.46
Public shareholders				
— The Subscriber	—	—	200,000,000	9.21
— Other public shareholders	984,754,979	49.93	984,754,979	45.33
Total	<u>1,972,452,606</u>	<u>100.00</u>	<u>2,172,452,606</u>	<u>100.00</u>

Notes: The Shares are beneficially owned by Gold Bless International Invest Limited, a company of which 85% and 15% of its share capital are owned by Dr. Yang Wang Jian, an executive Director and chairman of the Board, and Dr. Yu Qigang, an executive Director, respectively.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below is the equity fund raising activities conducted by the Company in the past twelve months prior to the date of this announcement:

Date of announcements	Description	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
9 February 2015 and 8 March 2015	Placing of convertible bonds to Independent Third Parties	HK\$28,000,000	As general working capital and for potential acquisitions of the Group	As general working capital of the Group

Save as disclosed hereinabove, the Company had not conducted any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

GENERAL

Completion is subject to the satisfaction of the condition precedent to the Subscription Agreement. In addition, the Subscription may be terminated in certain circumstances. As the Subscription may or may not complete, holders of securities of the Company and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Bond Issue Date”	the date on which the Convertible Bonds are issued, being the Completion Date
“Bond Maturity Date”	the date falling on the first anniversary of the Bond Issue Date
“Business Day(s)”	a day, other than a Saturday, Sunday, public holiday or a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong

	Kong at any time between 9:00 a.m. and 5:00 p.m., on which licensed banks in Hong Kong are generally open for business
“Company”	Green International Holdings Limited (a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription
“Completion Date”	the date of Completion
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Conversion Date”	a day when the conversion rights attaching to the Convertible Bonds are exercised
“Conversion Price”	the conversion price of the Convertible Bonds, initially being HK\$0.20 per Conversion Share (subject to adjustments)
“Conversion Shares”	Shares fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the 8% coupon convertible bonds in the principal amount of HK\$40,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Board pursuant to the resolution passed by the Shareholders at the annual general meeting held on 5 June 2015 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of passing such resolution (such issued share capital being HK\$19,724,526.06 divided into 1,972,452,606 Shares of HK\$0.01 each), and as at the date of this announcement, no Shares have been issued by the Company under the said general mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	independent third party(ies) who is(are) not connected person(s) (as defined in the Listing Rules) of the Company and is(are) independent of and not connected with the connected persons of the Company
“Last Trading Day”	27 November 2015, being the last day on which the Shares were traded on the Stock Exchange pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Subscriber”	Mr. Yang Yuezhou (楊越洲先生)
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 27 November 2015 and entered into between the Company and the Subscriber in relation to the Subscription
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 2 September 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

By Order of the Board
Green International Holdings Limited
Yang Wang Jian
Chairman

Hong Kong, 27 November 2015

As at the date of this announcement, the executive Directors are Dr. Yang Wang Jian, Mr. Wong Man Keung, Ms. Yang Jun, Mr. Chen Hanhong, Ms. Yang Ya, Dr. Yu Qigang and Ms. Eva Au; the non-executive Director is Ms. Yu Jiaoli; and the independent non-executive Directors are Mr. Yeung King Wah, Kenneth, Mr. Wu Hong, Mr. Low Chin Sin and Mr. Ye

Yunhan.